Money on the Move

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Money on the Move

- Goal: To assist you in providing quality relocation assistance service that enables your customer to effectively manage their finances while they are preparing for, during, and upon completion of their relocation.

Money on the Move
Practical Financial Management Steps to Prepare for Relocation

The totally, error-free, uneventful, non-problematic relocation is like a unicorn...

It exists solely in our imagination!!!

WHY???

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"We didn't actually overspend our budget. The allocation simply fell short of our expenditure."

Keith Davis

Author of Organizational behavior books

Money on the Move – Air Force Aid Society Statistics

Move-related Assistance:

- 2007: 134 loans for $112,861
- 2008: 204 loans for $183,562
- 2009 (thru 29 Apr): 35 loans for $26,296

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- Practical Financial Management Tips While Preparing for Relocation:
  - Comparative budget/spending plan (current versus projected)
    - Budget: a mathematical confirmation of your suspicions. ~A.A. Latimer
    - Also, ensure you balance and continue to reconcile your bank accounts
- Intensify efforts to reduce debt
  - Strive to be debt-free
    - Powerpay - https://powerpay.org/
    - Decreased spending
- Open a “Relocation Savings Account”
  - Realistic amount saved based on budget/spending plan
  - Continue after completing the relocation/move

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Practical Financial Management Tips While Preparing for Relocation:

- Have a garage sale – great way to liquidate unwanted toys, furniture, appliances, plants etc
- Start to use things that you know you can't take with you, like frozen foods or hazardous/flammable materials
- Contact schools, doctors, dentists, accountants, legal rep., and veterinarians to obtain copies of records/Wills
- Don't forget any utility deposits or security deposits that may be refundable
- Arrange a date to stop deliveries (newspaper, milk, bottled water, etc)
- Contact insurance companies to research insurance costs at new location
- Check credit report

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- Practical Financial Management Tips While Preparing for relocation:
  - **VERY important:**
    - Begin a **PREDEPARTURE EXPENSE WORKSHEET**
    - Make a list of friends, family, and…
      CREDITORS who need to be informed of your pending move
    - Research options for transporting and temporarily boarding pets
    - If driving, give added emphasis to vehicle maintenance

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- Practical Financial Management Tips During Relocation:

  - First, address the last minute “money gobblers” that typically occur prior to departure :
    - Cleaning/maintenance of home/quarters
    - Additional child care needs
    - Prescription refills
    - Over-due library materials or video/DVD rentals
    - Snacks for the trip

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Practical Financial Management Tips During Relocation:

- Make sure you have Emergency phone numbers
  - Supervisor at losing unit/Sponsor at your new unit
  - Take old telephone book with you
  - Armed Forces Emergency Services Center 1-877-272-7337

- Pack an “essentials bag”
  - Include a first aid kit, camera, pet food, soap, toilet paper, towels, light bulbs, cleaning materials, a map of the new area

- Hand-carry valuables, high-theft items, important papers

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- Practical Financial Management Tips During Relocation:
  - VERY IMPORTANT:
    - KEEP RECORDS OF ALL EXPENDITURES
    - Where is the information on allowable tax deductible expenses relating to moving??
      - Publication 521 (2008) page 15
      - IRS Form 3903

- EMPHASIZE – UNREIMBURSED EXPENSES

- Unreimbursed moving expenses are tax deductions in computing your AGI rather than your itemized tax deductions. (above the line)

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- Practical Financial Management Tips During Relocation:
  - Plan, Plan, Plan!!!
    - Plan your travel route
    - Plan for expenses while on leave
    - If traveling with children, add extra money for recreation/entertainment
    - Plan for the unexpected!!

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After arriving at the new installation/location, the “Money Movement” continues…

Money on the Move

- Lodging
- Groceries
- Clothing
- In-processing (travel voucher)
- Childcare
- Schools
- Housing (rent/buy)
- Spouse employment
- Financial institution
- Tricare enrollment

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The New Dynamic :
Selling/Buying a Home due to Relocation

The American Recovery and Reinvestment Act of 2009 authorizes expansion of Homeowners Assistance Program benefits to:

- **BRAC05 organizations without proof of causal relationship**
- **Wounded Warriors in Transition and Surviving Spouses**
- **PCSing service member homeowners**

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- Benefit Areas:
  - Foreclosure
  - Government Acquisition
  - Private Sale
  - Private Sale Augmentation

Money on the Move Homeowners Assistance Program

- **Foreclosure:**

Assist after the foreclosure

Assistance may include direct cost of judicial foreclosure, expenses and enforceable liabilities according to the terms of the promissory note

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Homeowners Assistance Program

- **Government Acquisition:**

  Acquire home for 75% of the PFMV or the balance of existing mortgages, whichever is greater...

• **PFMV of $100,000 X 75%**	**$75,000**	**$75,000**
• **Balance of existing mortgages**	**$65,000**	**$95,000**
• **FMV on date of acquisition**	**$80,000**	**$80,000**
• **Payment to applicant**	**$10,000**	**$ 0**

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Homeowners Assistance Program

- **Private Sale:**

  Benefit pays up to 95% of prior fair market value (PFMV).

- Prior market value of $100,000 X 95% = $95,000
- Applicant sells house for $75,000
- Appraised value on date of sale $75,000
- Benefits to applicant $15,000

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Homeowners Assistance Program

- **Private Sale Augmentation**
- PFMV: $100,000 X 95% = $95,000
- Less Sales Price $85,000
- Benefit Payment $10,000

- Mortgage Pay Off $90,000
- Sale of Home ($85,000)
- Balance of Mortgage ($5,000)

- Benefit Payment $10,000
- Payment to Payoff Mortgage (by applicant) $5,000

- Balance Paid to Applicant $5,000

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Homeowners Assistance Program

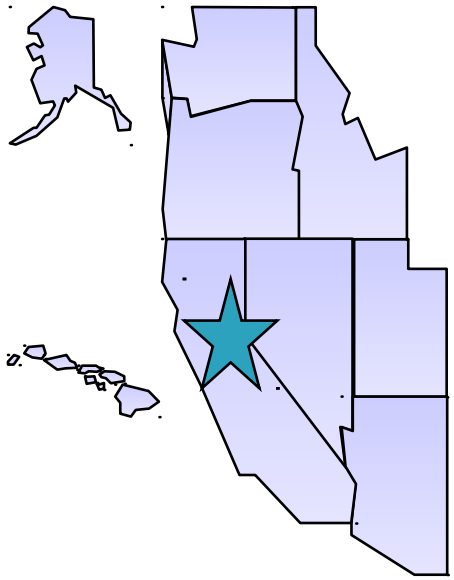
- **Revised Private Sale Augmentation:**
- PFMV: $100,000 X 95% = $95,000
- Less Sales Price $85,000
- Benefit Payment $10,000

- Mortgage Pay Off $98,000
- Sale of Home ($85,000)
- Balance of Mortgage ($13,000)

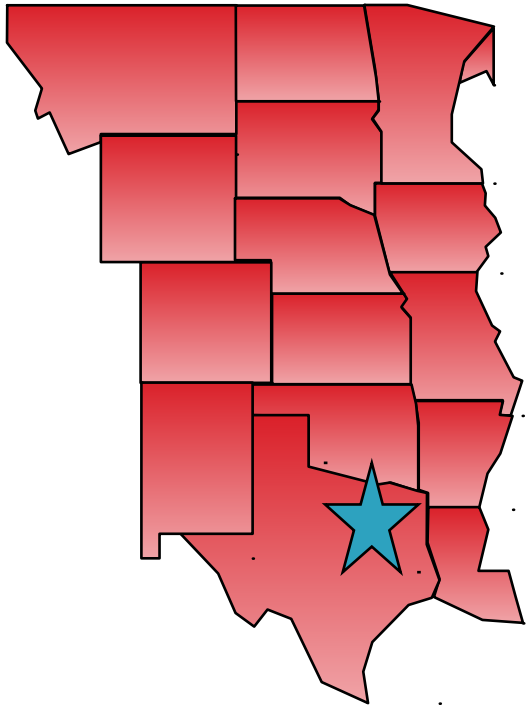
- Benefit Payment $10,000
- Payment to Payoff Mortgage (by HAP) $3,000
- Balance Paid to Applicant $0

Money on the Move
HAP Centers of Expertise

Sacramento District
Savannah District



Ft. Worth District



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Homeowners Assistance Program

http://hap.usace.army.mil/

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- Money can't buy happiness, but it can buy you the kind of misery you prefer.

~Author Unknown

QUESTIONS??????